

ASSEMBLY BILL

No. 2395

Introduced by Assembly Member Anderson

February 19, 2010

An act to amend Section 12921.3 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2395, as introduced, Anderson. Insurance: commissioner: powers and duties: complaints.

Existing law requires the Insurance Commissioner, in person or through employees of the Department of Insurance, to receive complaints and inquiries, investigate complaints, prosecute insurers or production agencies when appropriate, and respond to complaints and inquiries by members of the public concerning the handling of insurance claims.

This bill would require the commissioner, when investigating complaints, to limit the investigation to those allegations specified in the complaint.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12921.3 of the Insurance Code is
- 2 amended to read:
- 3 12921.3. (a) The commissioner, in person or through
- 4 employees of the department, shall receive complaints and
- 5 inquiries, investigate complaints, prosecute insurers or production

1 agencies when appropriate and according to guidelines determined
2 pursuant to Section 12921.1, and respond to complaints and
3 inquiries by members of the public concerning the handling of
4 insurance claims, including, but not limited to, violations of Article
5 10 (commencing with Section ~~1861~~) *1861.01*) of Chapter 9 of Part
6 2 of Division 1, by insurers or production agencies, or alleged
7 misconduct by insurers or production agencies.

8 (b) The commissioner shall not decline to investigate complaints
9 for any of the following reasons:

10 (1) The insured is represented by an attorney in a dispute with
11 an insurer, or is in mediation or arbitration.

12 (2) The insured has a civil action against an insurer.

13 (3) The complaint is from an attorney, if the complaint is based
14 upon evidence or reasonable beliefs about violations of law known
15 to an attorney because of a civil action.

16 (c) The commissioner may defer the investigation until the
17 finality of a dispute, mediation, arbitration, or civil action involving
18 the claim is known.

19 (d) The commissioner, as he or she deems appropriate, and
20 pursuant to Section 12921.1, shall provide for the education of,
21 and dissemination of information to, members of the general public
22 or licensees of the department concerning insurance matters.

23 *(e) When investigating complaints, the commissioner's*
24 *investigation shall be limited to those allegations specified in the*
25 *complaint.*